

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Washington Analyst: Jeani Brent Bill Number: AB 356

Related Bills: See Legislative History Telephone: 845-3410 Amended Date: 4/05/1999

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Enterprise Zones/Authorizes Additional Designation Of One City Within Los Angeles

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO Neutral.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 11, 1999, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Government Code, this bill would require the Trade and Commerce Agency (TCA) to designate one city within Los Angeles County as an additional enterprise zone. This bill would specify that TCA could designate only a city that meets certain additional criteria.

This bill would provide that all tax incentives provided to existing enterprise zones under the Revenue and Taxation Code would apply to the enterprise zone designated under this bill.

SUMMARY OF AMENDMENT

The April 5, 1999, amendments changed one criterion that the applicant city must meet for designation. Specifically, the applicant city must have a population of more than 50,000 but less than 100,000 persons according to the most recent census data and cannot currently have an enterprise zone. According to TCA, with the addition of the 50,000 person criterion, only the city of Compton would qualify for designation under this bill.

Except for the addition noted above and the new position, the department's analysis of the bill as introduced February 11, 1999, still applies.

POSITION

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on this bill as introduced February 11, 1999.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input checked="" type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Department/Legislative Director

Date

Johnnie Lou Rosas

5/3/1999